

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0506-0026

Case Title:

Ferguson Enterprises Inc.

Reporting Office:

Detroit, MI, Resident Office

Subject of Report:

Interview of [REDACTED] and [REDACTED] MDNRE

Activity Date:

March 9, 2010

Reporting Official and Date:

[REDACTED], RAC

02-APR-2010, Signed by: [REDACTED], RAC

Approving Official and Date:

[REDACTED], SAC

05-APR-2010, Approved by: [REDACTED], ASAC

SYNOPSIS

03/09/2010 - U.S. EPA CID SA [REDACTED] and HUD OIG SA [REDACTED] interviewed [REDACTED] and [REDACTED] of the Michigan Department of Natural Resources and Environment (MDNRE) regarding contaminated soils found at the Garden View Estates housing project located in Detroit, Michigan.

DETAILS

On March 9, 2010, U.S. EPA CID SA [REDACTED] and HUD OIG SA [REDACTED] interviewed [REDACTED] and [REDACTED] of the Michigan Department of Natural Resources and Environment (MDNRE) regarding contaminated soils found at the Garden View Estates housing project located in Detroit, Michigan. After being informed of the identity of the interviewing agents and the purpose of the interview, [REDACTED] and [REDACTED] provided the following information:

[REDACTED] Senior Geologist, MDNRE Remediation and Redevelopment Division (RRD); office: [REDACTED]

[REDACTED] Senior Geologist, MDNRE, RRD; office: [REDACTED]

[REDACTED] is the MDNRE's Project Manager overseeing activities at the GVE site and first became involved with the project in the Fall of 2006. [REDACTED] explained that Testing Consultants and Engineers (TCE) is an environmental consulting firm which has completed soil sampling and analysis at the site over the years. [REDACTED] has regularly dealt with Nortstar, a developer at the site as well.

TEC has conducted Phase I and Phase II Baseline Environmental Assessments (BEA) of the site and provided the MDNRE with copies of their reports. [REDACTED] has reviewed these reports which include analysis of the soil samples taken at various locations on the site. It is [REDACTED] opinion, based on [REDACTED] personal observations of the soils at the site and [REDACTED] review of the sample analysis that the contamination present at the site is a result of soils being hauled onto the site from a different location(s). [REDACTED] based this opinion in part on the type of contamination found in the soils which include poly-nuclear aromatic hydrocarbons (PNA's), arsenic, and lead which were over the state regulatory limits for direct contact criteria. [REDACTED] recalls seeing a large pile of soils on the site which looked similar to "clinker" which is commonly generated by incinerators such as the Detroit owned waste incinerator. [REDACTED] recalled taking photos of the pile and offered to locate them for the agents.

The site had historically been a housing project and [REDACTED] had learned that demolition debris

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and remnants of basements had been left on the site by the demolition contractor who was responsible for taking down the original housing units. The demolition was conducted in the early 1990's and [REDACTED] does not know who the contractor was on the job. [REDACTED] is aware of two episodes of soils being brought onto the site and dumped. One of these instances was in 2009 when Ferguson Enterprises was made to remove stockpiled soils from the Ashbury/Grandmont area of the site. The other was a historical dumping before the site was cleared of trees.

[REDACTED] explained that the soils were deemed to be variable therefore all of the soils in question are considered contaminated unless the developer or site owner is able to prove otherwise through soil analysis. TEC is continuing to sample and analyze soils on behalf of Nortstar and the Detroit Housing Commission. [REDACTED] and [REDACTED] are scheduled to have a meeting with TEC and Gardenvue Development LLC the day after this interview to further discuss sampling and remediation options for the contaminated soil. [REDACTED] added that the entire site will have to be sampled for contamination to determine which soils can stay on site and which have to be transported off for proper disposal, or the developer can opt to remove all the top soils on site for disposal.

Neither [REDACTED] or [REDACTED] were certain where the imported soils came from but given some of the contamination [REDACTED] opined that it could have come from the excavation of soils at the Detroit Water and Sewerage Department's reconstruction of the Oakwood Combined Sewer Overflow Interceptor. [REDACTED] provided the agents with an Environmental Impact Statement issued by the MDEQ (MDNRE's predecessor) which discusses contamination found at this location.

[REDACTED] never interacted with any of the Xcel or Ferguson Enterprises employees while at the site. [REDACTED] thought that [REDACTED] or [REDACTED] may have known about the contaminated soils as they were attempting to secure Brownfields funding for the site from the MDNRE. Since this has historically been a residential site it does not qualify for Brownfield Redevelopment funding.